AN ORAL HISTORY OF THE WINFIELD DUNN ADMINISTRATION

INTERVIEW WITH

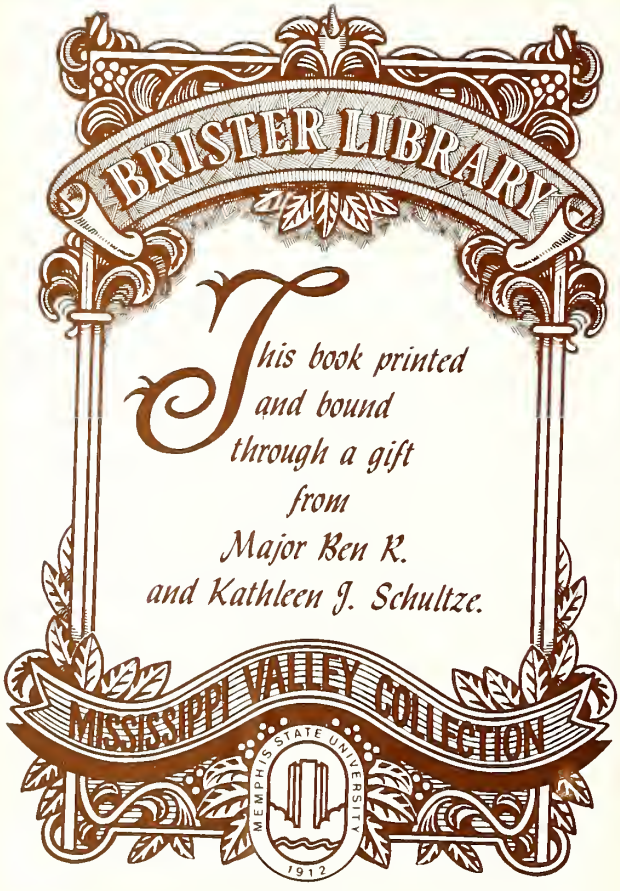
GEORGE TIDWELL

BY - CHARLES W. CRAWFORD

TRANSCRIBER - BETTY WILLIAMS

ORAL HISTORY RESEARCH OFFICE

MEMPHIS STATE UNIVERSITY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INTERVIEW WITH GEORGE TIDWELL

SEPTEMBER 26, 1976

BY CHARLES W. CRAWFORD

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March 12, 1987

TO: Delanie Ross

FROM: Charles W. Crawford CWC

We are sending the tape recording and transcript of my interview with Mr. George M. Tidwell, conducted on September 29, 1976, in Nashville, Tennessee. This interview is part of the Winfield Dunn Administration Oral History Project.

I wish to release this interview for unrestricted use in the oral history collection. I would prefer to have one of our usual forms signed by Mr. George M. Tidwell, but our efforts since last year to locate him have been unsuccessful. I assume he is deceased, and will therefore not place any restrictions on use of the interview.

THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY. THE PROJECT IS "WINFIELD DUNN GUBERNATORIAL ADMINISTRATION." THE INTERVIEW IS WITH MR. GEORGE M. TIDWELL. THE DATE IS SEPTEMBER 29, 1976. THE PLACE IS NASHVILLE, TENNESSEE. THE INTERVIEW IS BY DR. CHARLES W. CRAWFORD, DIRECTOR OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE. TRANSCRIBED BY BETTY WILLIAMS. INTERVIEW # 1

DR. CRAWFORD: Mr. Tidwell, I suggest we start out by getting sort of a biographical statement from you and then we'll go on through your work with the administration.

MR. TIDWELL: I was born near Burns, Tennessee, in Dickson County December 28, 1916. My parents moved to Flint, Michigan when I was six years old and I went to my first school in Flint, Michigan. After about a year there, we returned to the farm near Burns, Tennessee in Dickson County and my second through the sixth year of school was to a country school in the Third District of Dickson County. We moved to Dickson when I was ready to start the seventh grade primarily so my sister could go to high school. The next year they put on buses and had they put buses on a year earlier I might have remained purely a country boy.

I graduated from Dickson High School in the first of June in 1934. At that time I was milking cows at a dairy which I did during my last year in school. And shortly after

graduation I went to work wrapping bread at a bakery in Dickson. That was in June of 1934. In December of 1934 I went to Old Hickory, Tennessee and went to work in the cellophane plant there. I stayed there from February of 1935 until Friday the thirteenth, December 1935.

On Monday morning I reported to the Veteran's Administration, U.S. government in Nashville as a messenger boy, incidentally, at a salary of $600.00 a year. I stayed there from December of 1935 until August 1, of '36 when I went to Washington,D.C. as a messenger boy with the Interstate Commerce Commission. Incidentally, the salary there was $1,080 a year or $90.00 a month. I stayed in Washington with the Interstate Commerce Commission until March 24th 1937 when I went with Internal Revenue as a grade 1 clerk. The salary was getting good. That was $120.00 a month.

I stayed there until the 19th of December, 1938, when I transferred down to Louisville, Kentucky as a junior inspector with the Alcohol Tax unit still under the Treasury Department. A junior inspector checks the permissive end of the alcohol business. The senior inspectors are the still raiders so to speak. I was assigned a territory of Tennessee. My first work in Tennessee was in Lake County. I inspected retail beer and whiskey dealers over about two-thirds of Tennessee and a small part of Western Kentucky from December 19th of 1938 until June 30, 1940.

On July 1, 1940 I reported back in Washington, D.C. for the purpose of attending a revenue agent school. I had taken

some accounting courses while I was in Washington in 1937 and early '38 and I was appointed a revenue agent by virtue of having taken an exam while in Washington. The school terminated at the end of August and I was assigned to Nashville, Tennessee, as an internal revenue agent with the Internal Revenue Service.

I came to Nashville as a GS-5 employee. I started my work with them as an office auditor making all audits by correspondence. I moved from that into field audit, income tax, and ultimately to field audit-estate and gift tax. I was interrupted in 1943 and I was inducted into the army on May 28, 1943 and assigned to the 850th Ordinance Depot Company as a private. After one year in the states at Camp Cooke, California, I went overseas with the 850th to Finch Haven, New Guinea. I eventually attained the rank of a T-4 which is a Technical Sergeant of the lowest rank, I guess. I stayed there almost a year. In fact, my overall service was two years split just about 50-50. I was returned to the states as a cronic bronchial asthma patient and was ultimately discharged, I believe, about the first of May, 1945. I returned to my position as a revenue agent and I continued that career in the field in one capacity or another until, I believe, November 1954 when I was named Supervisor of the Estate and Gift Tax group.

I stayed there until 1956 when I became a Supervisor of combination Estate Gift and Income Tax group with some fifteen people. I maintained that capacity until January,

1959 when I was named Chief of the Field Audit Branch which entailed the general management of a field force of approximately 135 people located throughout the state. I stayed there until about August of 1965 when I was rotated into the Chief of the Review Staff which is the step that does the technical review of the work that is being done by field auditors.

I stayed there until November, 1970, and was rotated to the Chief of the Conference Staff in which capacity I supervised the conferees that handle the issues that were raised by taxpayers on the audits.

Now during my career as an internal revenue agent, and by the way from November until February 2nd, '71, I was Chief of Conference and on February 3rd, '71 I was named Commissioner of Revenue by Governor Winfield Dunn who had been inaugurated Governor on January 20. After I got into management with Internal Revenue, I was exposed to a number of training type situations. I was one of the pilot students in the so called "Management Development I" course having attended the first session held at Miami University at Oxford, Ohio.

I attended a management seminar put on by Vanderbilt University for middle management. I attended a number of in-service seminars that were lectured to by the leading management professors throughout the South and East for that matter.

I continued to work on accounting training having had most of the accounting courses that Internal Revenue offered. Their accounting courses are generally comparable to about two years of college.

From a personal standpoint I am married to Kathleen Cash of Hickman County. We have one son, Murray, who is in fact a junior. I am a member of the Charlotte Avenue Church of Christ where I serve as a deacon, an associate auditorium Sunday School class teacher, assistant treasurer and two or three other committee appointments. I'm basically tied to a farming hobby although I like all types of sports. I bowled and served as president of my bowling league. I bowled for about some twenty years and was president about five years. I play a very poor game of golf. I lack the patience to be a good fisherman although I am a good fish eater. That about covers my personal background.

DR. CRAWFORD: Very well. About your service with the Dunn administration. Why did you decide to make the change, Mr. Tidwell?

MR. TIDWELL: At the time I became interested in the Dunn administration I was nearing the point of optional retirement with Internal Revenue Service. They have a rule that you can retire at age 55 if you have thirty years service. I was a little bit interested in looking around and considering that retirement. I had an interest in the taxing policies of state administration although not involved directly in any of the other administra-

tions. I will say I was nosey. I felt like that there was some things that could be followed there that would be beneficial to state government.

Selfishly, or as I was often accused, any of these ideas were federal government ideas. But I felt that those ideas had evolved since 1913 as generally the most practical way to effect the tax collections and the audits that needed to be made. That plus the fact that I had basically been a Republican for quite a long time. I had worked with a number of close personal friends and political friends of Governor Dunn. There were some discussions with some of these people along the line about the direction maybe things should go. That tied to possible retirement at age 55 caused me to be vitally interested.

DR. CRAWFORD: What did you find when you first went into state government? What was the situation?

MR. TIDWELL: The thing that bothered me most when I became Commissioner of the Department of Revenue was the lack of controls over particularly the handling of money and the controls over the important parts of the various audit functions. And the organization of the Department of Revenue was vastly different into Internal Revenue or the federal government. I found that the Department of Revenue was divided into divisions relating to certain types of taxes. Each of these divisions had a crew that attempted to effect the collection of past due taxes and to

ferret out non-taxpayers. I felt that this was not an efficient way to handle it.

This was very pointedly pointed out to me on my first appearance before the Legislature. We were there discussing budget requests and the question arose--and some rather direct questions were asked of me--as to the outstanding accounts in the Department of Revenue of people who owed the state money. I am frank to state that we gave a figure of in excess of $3,000,000 as being the accounts receivable. I am not sure that my division people knew exactly how much was owed.

This was the first area that I attempted to deal with. I set up a separate collection agency under independent management from the directors of the divisions of these various taxes and delinquent accounts were to be referred to that agency for collection. We finally got this division separately established July 1, 1971, after I had been aboard nearly five months. All accounts receivable were turned over to that division and I issued the instruction that we would do one of three things: We would collect them if they were collectable; we would get them off the books if they were uncollectable; or we would suspense them if the amount was less than the cost of collecting. At the end of about a year accounts receivable dropped to a total of about eight hundred and fifty thousand dollars at any given time. During the remainder of my administration it remained at about that level.

Early in the operation of the Collection Division and for the first time in the history of the Department we set out to force collection of accounts that were in a position to pay us. We followed a policy that no forced collection would be instituted until every taxpayer had been given every opportunity to come forward and settle his account. Many would not do this and we set about to collect these accounts by seizing and selling their assets.

Our crews that did some of this work soon acquired the title of the "Tidwell Raiders" and we had some unique situations develop. For example, at a pornography distribution point in Nashville we went down to collect the tax. We were paid $2,300 in rolled quarters which is quite a load to be hauled out so to speak. When it became known that the Tennessee Department of Revenue would come and get the account if the taxpayer showed utter disregard for trying to work it out our activities in this area declined.

At about the time the so-called "Tidwell Raiders" were in the height of their operation I suddenly discovered that the Department of Revenue did not have a written policy and/or guideline for the handling of money. Having been regimented in Internal Revenue Service for as long as I did you might guess my fear. We immediately suspended collection efforts for six weeks until such time as we could have a written policy to our own employees and available for the public under which we collected and handled money.

We did finally work this out and had no major problems involving that along the line. Now in order for us to have an effective collection program we had to modernize some of the statutes. So the Legislature passed for us a bill that we primarily drafted known as the Administrative and Collection Procedures Act, I believe--I don't want to be too positive on that title--which gave us many of the rights similar to the federal government in so far as collecting accounts. That act ultimately proved very beneficial for us and we think beneficial for the tax paying public because they always knew where they stood--what their rights were--after that act was passed.

That pretty well covers the accounts receivable and money policies. I found in the audit area that the excise audit force and the excise tax is the corporate privilege tax that is so much akin to corporate income taxes. I found that their audit was being done primarily by correspondence out of the Nashville office with no auditors stationed elsewhere in the state. I felt from my past experience that there was no way that we could sit at the office and recognize bad audit situations in the excise tax area.

I set about to either convert some of our correspondence auditors to the field or to get budget arrangements to where we could hire people for the field. We did this and the collection results were exceptionally good. Almost every field audit generated major revenue to which there was really no argument. We had no major cases show up from this source

after that. The Director of the division who had been with the Department for a long time alledged that previously he couldn't get enough money in his budget to hire field people, but be that as it may, we did convert much of that audit to field audit and expanded the force just a little bit.

In the motor fuel area they had one auditor at the time I became Commissioner. That tax comes from basically a hand full of tax payers although its a major amount of revenue. I learned that through the guise of off-highway useage and many other things that there probably was a sizeable amount of revenue out there that should be paid in. I set about and got budget approval for the hiring of four new auditors. We never were able to hire but two of those auditors for two or three reasons--part of them being management. My director either didn't want to, or didn't have the know-how to organize and set up a work program and train four new auditors.

So we finally wound up with two and they proved to be very productive. That particular director was dumbfounded at the amount of money that they were able to bring in.

At this time we discovered some potentially very flagrant fraud cases in the Petroleum Tax Agency. In studying the Tennessee statutes I found that you could defraud the State of Tennessee out of almost any amount you wanted to and the penalty was a $50 fine and 30 days in jail as a misdemeanor. So I went to the Legislature and was successful in passing a law that makes it a felony to defraud the state out of its properly due revenue. If the amount is $5,000 or

more, a person who defrauds the state out of its revenue can now be fined $10,000 and get 3 years in jail for defrauding the state.

We were successful under that new law of indicting one petroleum tax payer in the East Tennessee area. That case was not brought to a conclusion until after I left the state, but that tax payer was convicted.

In the sales tax area which is the area that produces the most revenue for the state we had a reasonably good audit program. I attempted to find a way to decide whether we were working the right sales tax returns. I went to the Legislature on three different occasions--maybe just two--asking for a law that would permit me to acquire from each sales tax payer a copy of his annual operating statement. My program would have been to have trained semi-clerical help to analyze the cash flow from that business and thereby determine whether the tax payer was very close or whether he was way away from his proper reporting amounts. The Legislature refused to give me that law on the premise that the businessman already had too much paperwork.

Then I explored all types of ways of classification to try to select the right returns for audit. I was advised by the experts, so to speak, that I would have to build my own guidelines for computer classification. I set about to lay the groundwork for that, but before, of course, I got too far my term expired. I would say this in the sales tax audit area the first year I was there, the audit revenue produced

was $2,700,000. The last year I was there the audit revenue produced was $6,200,000. I'm one of those people who thinks that there are $10,000,000 good clean dollars out there properly owed to the state, collected by the businessman from his customers if we had a scientific way of selecting those to be audited. I found when I went in a little bit of a fear of auditing the big case which I attempted to overcome and did to some degree--a little bit of fear of moving into the big business--a well known tax payer area. We overcame some of that.

After we got our fraud laws corrected, I asked the division people to be on the lookout for a potentially strong fraud case in the sales tax area in each of the major divisions of the state because for compliance purposes I felt like if we could convince the public that we would follow the law, it would help compliance.

The major case that was uncovered, the tax payer left the state broke and we abandoned that idea and to date I don't think we have a sales tax prosecution case.

Early in the Dunn administration the so-called Jarman Committee combed all departments for that matter, and revenue included, for ways of government efficiency. Late in my predecessor's term he had conducted a study involving the amount of money it cost the state to have the tobacco distributors put the tobacco stamp on the cigarette packs. We found that one or two of those distributors--they found, I did not initiate this--had made $90,000 profit from that

operation which was purely at the expense of the Department of Revenue. This came out during the Jarman Commission Study and they in their report recommended that something be done.

By analyzing the costs incurred by these dealors, we were able to work out a schedule on a graduated basis based on the volume that they stamped whereby the State of Tennessee was able to save $700,000 per year with just a pittance of additional outlay in record keeping. That saving is still with the state so far as I know.

The Motor Vehicle Division produces a sizeable amount of money for the state. That division is broken down of course into the Motor Vehicle Registration Division, the Special Fuel Tax Division, and the Motor Vehicle Enforcement Division and this is the division that operates the scale houses and the portable scale units that check the axle and total weight of trucks.

I found that division pretty well disorganized and, let me say, influenced rather strongly by local conditions and people. I made an effort to divorce Motor Vehicle Enforcement from local influences. We reorganized that division putting the people in full-fledged uniform and organizing the division much in the nature of an army company--captain, major-captain, lieutenant, sergeant and on down the line. Motor Vehicle revenue from overweight and axle violation citations went up approximately 300% irrepective of the fact that we were very much at the mercy of Sessions Court judges and people in the various counties. My objective was to es-

tablish some respect for the unit and establish a rapport between the trucking industry and the Department of Revenue. Our degree of success might be questioned. I felt confident in my own mind that we were able to establish some respect for that division.

As a tax administrator for now some forty years I have found that one rule has to be cardinal. And that is: treat all people in like situations alike. I followed this policy religiously although it is most difficult because all tax payers, and particularly those in aggrieved positions, feel like their situation is just a little bit different and ought to be set apart from his peer.

DR. CRAWFORD: That is a good statement in regard to the policy, Mr. Tidwell. What sort of personnel did you find when you arrived? Did you need additional people? How did you take care of that?

MR. TIDWELL: I found, of course, I had been with the federal government at that time some thirty-five years including my army time. I found that the State Department of Revenue had some people that were just as dedicated as the federal government. The percentage of those dedicated and well-trained people in state government was much lower than in federal government and I attribute this to the fact that the state did not screen its employees and/or test its employees nearly as stringently as the federal government did. I found also that the pay scales in state government were so low that we were not able to go on to the

street and employ highly qualified technicians, particularly in 1971 and 1972 when accountants just were almost non-existant that were out of work. In '73 and '74 we did have access to some people who had reasonable accounting experience, but not really many top notch people. At the time I went to Revenue the director of the Inheritance and Income Tax Division had been there some 25 years; the Director of the Excise Tax Division was a highly qualified man and had been there a number of years; the Director of the Miscellaneous Tax Division had been there a number of years. These people were not politicians basically. They were career people who wanted to get that job done. They had a sprinkle of competent people in the audit and administrative areas, but the percentage was not as good as I would have liked to have had through no fault of theirs. Primarily, I would say,[it was] because of their relatively low pay scale that the states offered at that time.

DR. CRAWFORD: The state offered no opportunities for training either, I believe in this work.

MR. TIDWELL: They were very limited. And while I was there and in conjunction with the main Department of Personnel and Training Division and within my own shop, we initiated a number of one week to ten days or two weeks type of seminars and for that matter some three day type seminars across the state to try to train our people. And for another reason, that being, let each group or division know the problems of the other division or group

in the state. I found that it was not uncommon that a man in Greeneville, Tennessee would handle a situation much different to a man in Union City. And this of course, was obnoxious and we made an effort to have a standardized system.

While there, my internal audit staff was beefed up some. I brought in a man with 30 years experience in that type work. I heard by my grapevine that my internal audit made a more strict audit or certainly as strict an audit, as the Comptroller's auditors did. In fact, the Comptroller's auditors, I think, finally started going to Internal Audit for their base material. To my knowledge we had no major foul-ups in the handling of revenue or audit cases.

According to heresay only, my predecessors, and for explanation let's say the Commissioner of Revenue is the final hearing point before you go to court on your taxes. Now by virtue of my prior experience, I handled all of my own technical conferences. It was my understanding that some of my predecessors relied almost entirely on that particular division director who had been close to the case from the beginning which possibly might not be as good a break as the tax payer ought to have. I did hold my own technical conferences and I always recorded rather briefly. I know I had a little fear on one of my cases that I wasn't able to settle. And in writting that brief conference report I included a brief statement of facts. I later learned that the Attorney General's office in court picked up my statement of fact when

it wasn't intended to be that much in detail. Thereafter, I improved that section a little bit.

We carried a number of cases to court while I was Commisser of Revenue. I think some 28 cases if I remember correctly. This concerned me materially that we had that many going. But my verification proved that a number of these issues should have been carried to court much earlier and the directions established by the court decisions. The reluctance to go that far on behalf of the field people apparently stopped these cases from getting to the courts in years past. I demanded of my people that they not take me to court on anything that didn't have at least a 50/50 chance to win. We did have good success up to, I understand, 80 some odd per cent of success in these court cases. Now 28 suits in a four year period as Commissioner is probably above the average and as I say at the outset, I apologize for that. I later decided that I was just catching up. That it really wasn't me in other words.

Another feature that I worked with rather closely as Commissioner, I found that penalties for late filing and late paying and things of this nature in state government were much more severe than the federal government. In fact, I felt grossly unfair in many cases. I caused to be drafted a new law which I carried to the Legislature, and after considerable problems was finally passed, to give those in authority some discretion on penalties. I'll give you an example. One of the major oil companies assembled data from

all over the state or country or wherever on a centralized computer to pay their taxes. At the end of one month, the computer missed two invoices that did not get on our monthly petroleum tax report. Now that didn't mean that they wouldn't finally have been picked up on the following month. Whenever we discovered this and called their attention to it, they immediately sent us the money generated by those two invoices, but it generated a penalty of $1893.00 and prior to the passage to the law that we finally did get passed there was no administrative authority to in any way give relief on that. In order to get the bill that I proposed passed we gave up some of the things we wanted. One being that the Attorney General had to approve all major penalty adjustments. I had no objections to this except that it really slowed down the process.

DR. CRAWFORD: What sort of support did you have from the Governor for your policies? I know this was a technical matter that he didn't know a great deal about.

MR. TIDWELL: Let me say this. Governor Dunn said to me early in the game rather directly, "You be right as often as you can be, and if you think you are right, you go get them. You're a friend of mine." And certainly no tax administrator can have more support. On calls that went from irate tax payers directly to the Governor's office, they were most cooperative. The Governor never did at any time dabble in what I was trying to do and only on

a very limited number of occasions did he call to find out what the facts were. The same is true of his staff people. They gave me full support. And in the Finance and Administration area in establishing my budget they leaned over backwards to help me accomplish what I tried to accomplish. If I accomplished anything of material benefit, I was able to do it without a material increase in personnel. I had some increase, but not what I call a material increase.

DR. CRAWFORD: How would you compare the quality of revenue collection when you left office with the quality when you came to office?

MR. TIDWELL: Well, without throwing off on my predecessors or tooting my own horn, I think the best comparison of collections is the, let's say, $3,200,000 accounts receivable that I found when I went there as compared to the $850,000 to $900,000 balance when I left even though taxes had increased materially while I was there. I would say from the standpoint of the revenue coming into the state that was the major gain. My audit efforts made the state some money. I feel like if I had had a couple a more years that I could have increased that audit revenue even a greater amount. At one time in the investigative force that we had in the Liquor and Tobacco Tax areas our unit confiscated more contraband vehicles and more contraband tobacco than all the other Southeastern states put together.

Now I don't want to infer that we were that much better than our other states, but I want to point this out. No other state in the United States for that matter, has a thousand miles of stateline with three states bordering that have the lowest tobacco tax rate in the United States. North Carolina has two cents tax per pack, Virginia two and a half and Kentucky three cents where ours was thirteen cents. You can see that money could be made in dodging our tax. Now with the stateline that we have between us and Kentucky, Virginia and North Carolina there were a number of opportunities to come across our state with cheap cigarettes. We caught a few of these people and were able to slow it down, let's say.

As I say, we confiscated more vehicles and picked up more contraband cigarettes than all the other Southeastern states put together. As I say, the reason being we were so close to those lower rate states. I remember of my counterpart in Ohio crying about the bridge coming across the river at Cincinnati--he should be so lucky!

I would say the most embarrassing thing that happened to me when I was Commissioner [was when] Senator Howard Baker had some sort of material that he wanted to send all the businesses in the state. They contacted me and asked would it be possible for my addressograph machine or computer or whatever was doing that kind of work to address these envelopes which the Senator's office would furnish.

Well, thinking that all governmental agencies should be

cooperative one with the other, I contacted my people and just off the top of their head we thought this would be a one day job and the cost would be roughly $25. That didn't prove to be correct. We agreed to do this for the Senator and since only $25 was involved I agreed to do it for nothing at all. Some of the opposing party members discovered that our address had a sales tax number on it. And of course, that would be true because we were using the sales tax machinery. Quite a hullabuloo was made about this and the controller's office got involved.

We finally found that the actual cost was a $104 and something inasmuch as it took three and a half days to do this task as opposed to the one day I had originally been given to understand would be the time involved. Senator Baker's office reinbursed the state that $104.50 and I stated it was embarrassing a little. I was embarrassed from the Governor's standpoint that some of his cabinet would be charged with favoritism and all this kind of stuff. In my own heart I felt that I had not done anything all that wrong and certainly whatever wrong was later rectified.

I was criticised on occasions because of my tough collection policy. I would say however, the general business community agreed with me thoroughly that all of them should pay if part of them had to pay. I would say my opposition came from some isolated people who never had paid much tax and didn't like my efforts to make them pay tax.

DR. CRAWFORD: Were there any especially interesting incidents in your work that you remember?

MR. TIDWELL: Of course, if you have in mind, uniqueness or humorous, it is rather difficult for me to give you an answer to that. Now if you boil it down to just plain interesting, we were very successful in passing a number of housekeeping bills and some rather drastic law changes. Now the processes that I went through being as inexperienced as I was in the legislative process certainly could be called interesting. I appeared before many committees always pleading my cause on one basis and that being this: The present law reads like this. The problems we have are like this. We think this version would be better. And the Legislature was most kind to me in my opinion. I lost a few certainly. And perhaps I should have lost them, I don't know. I made many friends in dealing with the Legislature.

Perhaps, the most notable event that happened under my administration was the time that my chief collection division working with the Memphis crew went into Orange Mound section of Memphis to collect an account and at gunpoint my people were--three of them--chief of my collection force and two field people were taken, their clothes were stripped off, two of them thrown out on the street and the chief kept tied with wire seated flat on the floor for some seven hours.

It was a very traumatic experience for him. It was a very touchy situation for all of us. We were on the verge of

having a regular riot in the area. Had it not been for Governor Dunn's willingness to fly to Memphis and to talk to the people who were behind this, the owner of the business and some other members of his organization it really could have been a bad situation. As it turned out when the Governor did fly to Memphis, the business owner who was holding the Chief of the Collection Division at gunpoint did come out of the business, did release the man, and did talk to Governor Dunn.

Now his premise for not paying the tax was the old premise that he was being reimbursed for a 100 years of repression. I had been notified by organizations in the area that they were not going to pay the tax. I had responded as reasonably as I could, explaining that it would be necessary that they pay the tax. I had not dreamed that they would go to that extent. And it would be real interesting to have that particular person to relate the things that were said to him, the things that were talked about among those that were holding him prisoner. For example, this was a cleaning establishment. They fully expected a tear gas raid. They had installed three extra exhaust fans to suck the tear gas out. They had barricaded themselves in a position to keep guns pointed to the door coming from the front part of the business to the back. They had the Chief of the Collection Division sitting flat on the floor Indian style, between those barricades and the door and much of the day with a gun at his temple. A very harrowing experience!

DR. CRAWFORD: Do you remember what his name was, sir?

MR. TIDWELL: Oh yes. His name was Don Duncan.

DR. CRAWFORD: Is he in Nashville now?

MR. TIDWELL: Yes, he presently is the Chief of this Motor Vehicle Enforcement Division. He left the Collection Division for a promotion to the Motor Vehicle job. He is a very fine state employee--very dedicated. But still it was quite a harrowing experience. And had the tax payer not released him, and he released him almost dusk dark, had he not been released at that point, and the crowd that was gathering and the attitude of the crowd that gathered around the business at that point there could have been a major riot in Memphis.

DR. CRAWFORD: Yes, sir, I remember the account. I think I was in Nashville or somewhere when it happened.

MR. TIDWELL: Yes, some pictures were made when my employees, the first two were released. The policeman gave them a blanket to wrap around themselves. Someone sent me a picture of that event that came out in a newspaper in Madrid, Spain. So we got worldwide publicity for it. I know I was kidded a great deal.

I went to a convention down at Biloxi, Mississippi. One of the Mississippi boys, when I came in said, "Well, I see you didn't come through Memphis."

I said, "How's that? As a matter of fact, I didn't, but how did you know?"

He said, "You still got your clothes on!" (Laughter)

Some of our experiences with investigative units working with beer and tobacco tax and whiskey tax were rather unique. Our people were shot at on a few occasions, but we did have a degree of success in working with that. Of course, the age old item of Coors Beer is still with the present Commission.

DR. CRAWFORD: It still is.

MR. TIDWELL: We had some interesting experiences.

There were some interesting experiences involving our scale houses. On one occasion we had a truck that attempted to avoid the scale house on I-24 at Manchester. The mobile units attempted to apprehend him. He almost ran over one. He almost pinched another between his truck and another truck. Gunfire ensued. One tire was shot out and one or two of his lights, but he still was able to elude our people all the way to the Georgia line, but a radio ahead to a Georgia constable was able to get him stopped with the use of a black jack I think. It was a stolen truck with a 500 lb. bale of marijuana. (Laughter)

My people told me that in the late sixties and early seventies the interstate trucking group was a very fine group of men. But as the industry grew rather fast and they started recruiting just anyone to drive those trucks and the willingness on the part of some of these drivers to drive for long periods of time that there was a number of them that

took certain barbituates to keep them awake and it was not uncommon for one of them to come rolling out the cab frothing at the mouth with a jack handle. It was these kind of events that prompted us to seek legislative permission which we got for our people to go armed, not with the idea of going around as little tin soldiers, but with the idea of discouraging people from coming at them with jack handles and other guns.

When we did get this permission some very strict rules were drafted. Having come out of Internal Revenue where you have a policy or a strong rule governing everything, I was primarily more aware of a need for this than someone who hadn't had that kind of experience.

DR. CRAWFORD: There's been quite a tradition in Tennessee of evading revenues laws, and of smuggling things in and so forth. Do you feel that that has declined in recent years?

MR. TIDWELL: In the case of tobacco, I doubt that it has declined much. The opportunity is still there as I mentioned previously that North Carolina gets two cents a pack, Virginia two and a half and Kentucky gets three and we collect thirteen. Most of our states west of us and northwest of us collect higher rates than those. I suspect that the movement of contraband cigarettes is still very great in the state. Insofar as smuggling in properties and avoiding the sales or use tax, there's probably still a good bit of it. And there's probably some of the diesel fuel smuggling coming in from neighboring states. We

made some inroad on it, but it is an up and down proposition. I am sure Commissioner Woods is having some of the same problems.

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